

CLEARANCE REQUEST FOR PUBLIC RELEASE OF DEPARTMENT OF DEFENSE INFORMATION

(See Instructions on back.)

(This form is to be used in requesting review and clearance of DoD information proposed for public release in accordance with DoDD 5230.09.)

TO: (See Note) Chief, Defense Office of Propagation and Security Review, 1155 Defense Pentagon, Washington, DC 20301-1155

Note: Regular mail address shown above. For drop-off/next day delivery, use:
Room 2A534, 1155 Defense Pentagon, Washington, DC 20301-1155

1. DOCUMENT DESCRIPTION

a. TYPE <div style="text-align: center;">article</div>	b. TITLE Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain
c. PAGE COUNT <div style="text-align: center;">47-plus</div>	d. SUBJECT AREA U.S. defense supply chain

2. AUTHOR/SPEAKER

a. NAME (Last, First, Middle Initial) Gholz, Charles, E.	b. RANK	c. TITLE Associate professor of political science
d. OFFICE Manufacturing and Industrial Base Policy	e. AGENCY OSD/AT&L	

3. PRESENTATION/PUBLICATION DATA (Date, Place, Event)

This manuscript has been prepared for submission to a scholarly journal, but it has not completed the peer review process, so we do not know exactly where it will be published. The ideal would be to publish it in a journal called International Security.

4. POINT OF CONTACT

a. NAME (Last, First, Middle Initial) Gholz, Charles E	b. TELEPHONE NO. (include Area Code) (616) [REDACTED]
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5. PRIOR COORDINATION

a. NAME (Last, First, Middle Initial)	b. OFFICE/AGENCY	c. TELEPHONE NO. (include Area Code)

6. REMARKS

Author comments: No classified material was consulted for the preparation of this article manuscript. The lead author for the manuscript was formerly Senior Advisor to the DASD/MIBP from 2010-2013, during which time he lead the project that gathered some of the data used in the manuscript. At that time, he was authorized to use the data to write academic articles after he left the Pentagon, of course respecting security concerns and the need to protect companies' proprietary information.// MIBP comments: While we believe no classified material was consulted, the data the author is basing his thesis upon was collected during a 2011 S2T2 survey under the auspices of the Defense Production Act and he would not have had access to it without his position as an IPA. In signing his IPA agreement, he agreed to abide by all government regulations. It is not at all clear he should have this data in his possession. MIBP analysts are reviewing the data for impact and would like to consult with the pre-publication review team. While there may be a compromise that further masks the data for publication, the underlying issue is whether or not he should have the data in his possession. MIBP does NOT recommend publication until these concerns are addressed.

7. RECOMMENDATION OF SUBMITTING OFFICE/AGENCY

a. THE ATTACHED MATERIAL HAS DEPARTMENT/OFFICE/AGENCY APPROVAL FOR PUBLIC RELEASE (qualifications, if any, are indicated in Remarks section) AND CLEARANCE FOR OPEN PUBLICATION IS RECOMMENDED UNDER PROVISIONS OF DODD 5230.09. I AM A GOVERNMENT EMPLOYEE (civilian or military), AND NOT A CONTRACTOR, AUTHORIZED TO MAKE THIS RECOMMENDATION FOR RELEASE ON BEHALF OF:

DASD(MIBP) E. D. CHEWNING

b. CLEARANCE IS REQUESTED BY 20180727 (YYYYMMDD).

c. NAME (Last, First, Middle Initial) (b)(6) [REDACTED]	d. TITLE (b)(6) [REDACTED] MILITARY DEPUTY
e. OFFICE OUSD(A&S) MIBP	f. AGENCY
g. SIGN (b)(6) [REDACTED]	h. DATE SIGNED (YYYYMMDD) <div style="text-align: center;">20180709</div>

DD FORM

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ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

MEMORANDUM FOR DEFENSE OFFICE OF PREPUBLICATION AND SECURITY
REVIEW

SUBJECT: Denial of Public Release Clearance for Security Review 18-S-1931

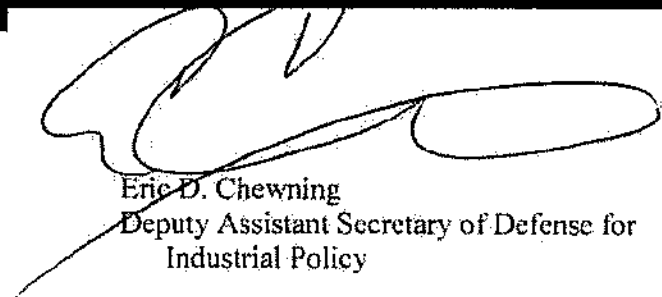
Dr. Eugene Gholz authored a manuscript entitled, "Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain." On June 11, 2018, Dr. Gholz contacted Brad Botwin, Director of Industrial Studies in the Bureau of Industry and Security at the Department of Commerce in order to clear the article for publication.

Dr. Gholz worked in the office of Manufacturing and Industrial Base Policy from July 2010 to August 2012 as an Intergovernmental Personnel Act employee. In that capacity, he worked with Mr. Botwin on the Sector-by-Sector, Tier-by-Tier (S2T2) Assessment of the Defense Industrial Base. Using the Department of Commerce authority under the Defense Production Act, industry was compelled to provide data on the supply chain to the Department on the condition that the data was for U.S. government internal analysis only.

In an email to Mr. Botwin, Dr. Gholz openly stated that the data from the study was used for the manuscript. Mr. Botwin recognized that the data was collected in accordance with the Defense Production Act and not for public release. After directing Dr. Gholz not to publish the data in any form until it was reviewed, Mr. Botwin reached out to this office. Dr. Gholz then met with me on July 12, 2018. He stated that he has the dataset on disk and only works on a standalone computer to protect the data.

Mr. Botwin and the Department of Commerce are not comfortable with the release of the data in any form. I concur with the Department of Commerce position and recommend denial of public release. Additionally, I recommend [REDACTED]

(b) (5)



Eric D. Chewning
Deputy Assistant Secretary of Defense for
Industrial Policy

JUN 11 2018

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18-L-0334/DOPSR/167



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF PREPUBLICATION AND SECURITY REVIEW
1155 DEFENSE PENTAGON
WASHINGTON, DC 20301-1155

August 3, 2018
Ref: 18-S-1931

Dr. Eugene Gholz
2060 Jenkins Nanovic Halls
Notre Dame, IN 46556

Dear Dr. Gholz:

This is in response to your correspondence requesting public release approval of the manuscript:

- *Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain*


The manuscript is **not cleared** for public release. DoD has determined that the manuscript is unsuitable for public release due to use of proprietary information procured in accordance with the Defense Production Act and not permitted for use outside the government.

You have the right to administratively appeal this response by submitting through this office to the appellate authority: Director of Administration, Office of the Chief Management Officer. The appeal must offer written justification to support reversal of this denial. Send the appeal postmarked within 60 days from the date of this response to the following address:

Department of Defense
Defense Office of Prepublication and Security Review
1155 Defense Pentagon
Washington, DC 20301-1155

Please direct any questions regarding this case to Mr. Daniel Chykirda, Security Review Specialist, at 703-697-6763 or by email at daniel.j.chykirda.civ@mail.mil.

Sincerely,

 Darrell W. Walker
Chief

Department of Political Science
University of Notre Dame
2060 Jenkins Nanovic Halls
Notre Dame, IN 46556
August 7, 2018

Department of Defense
Defense Office of Prepublication and Security Review
1155 Defense Pentagon
Washington, DC 20301-1155

Dear Sir or Madam:

I received your letter of August 3, 2018, reporting on your initial review of my article manuscript, "Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain." As directed in that letter, I am writing to appeal your response, and in this letter I am providing written justification to support reversal of your initial denial of clearance for public release.

Your letter explains your initial denial of clearance to release the article as "due to use of proprietary information procured in accordance with the Defense Production Act and not permitted for use outside the government." The letter provides no further explanation or justification.

However, this explanation of the terms of the Defense Production Act (DPA) data-collection mechanism and the use of the data that results from that data-collection mechanism is not correct. The Bureau of Industry and Security (BIS) of the Department of Commerce, in which the authority to collect data under the DPA is vested, regularly publishes reports based on data collected through the DPA survey mechanism. Many of those reports can be found on the public Internet at <https://www.bis.doc.gov/index.php/other-areas/office-of-technology-evaluation-ote/industrial-base-assessments>. The key to publishing those reports is that they are based on aggregate data, and they do not release specific information about individual survey responses. Readers of the reports must not be able to identify any individual survey participant as a result of reading the publicly released report. But as long as no particular survey's data is revealed, public release of the data is not only permitted but is encouraged, according to the BIS web site. For example, BIS notes, "The goal is to enable the private sector and government agencies to monitor trends, benchmark industry performance, and raise awareness of diminishing manufacturing capabilities. Customers for these reports include the Armed Services, Congress, and industry associations."

The specific survey templates through which data were collected for the DoD's Sector-by-Sector, Tier-by-Tier Assessment in 2011 and 2012 – the surveys used in the article manuscript – included language on the cover page describing how the data would be used. That language promised, in red print to highlight its

importance to those who filled out the survey, that "Information will not be shared with any non-government entity, other than in aggregate form [emphasis in original – in addition to appearing in red]." That language clearly envisions that aggregated (and analyzed) survey results could be publicly disclosed, and it duly informed survey participants of that fact.

BIS has frequently published reports providing aggregated results from surveys that collected data using the DPA survey data-collection mechanism, both before and after the S2T2 data were collected. Neither the DPA, nor the implementing regulations as published in the *Federal Register*, nor the Department of Commerce's established practice for applying those regulations, nor the specific terms of the S2T2 surveys prevents the use of the S2T2 data for publication, which is the reason provided in your letter for declining to clear my article manuscript for public release.

DoD leadership at the time that DoD worked with Commerce to collect the S2T2 data used in the article manuscript (2011-2012) well understood that I planned to publish academic work based on the surveys. Leadership directed clearly that the academic work was not to be prepared as part of my work for the government, which is why I have submitted the academic article manuscript for review several years after leaving DoD. Data analysis for the government, while I was working for the government, exclusively focused on inputs to MIBP's industrial base assessments (the Fragility and Criticality Methodology), MIBP's investment decision-making (e.g., in the ManTech, DPA Title III, and Industrial Base Analysis and Sustainability programs), and as a contribution to the DMAG process and the Department's overall budget proposal, among other uses. However, appointees from the DASD(MIBP) to the Deputy Secretary of Defense at the time were aware of and approved of the expectation of future academic work related to the S2T2 data collection.

If at this point some passage of the article manuscript were to reveal the identity of a particular survey respondent rather than aggregated results, that would provide plausible grounds for declining authorization for public release, pending edits to the manuscript to remove the language that could lead to identification of an individual survey. Pre-release review of the manuscript is a reasonable step, which is why I brought the manuscript to your office's attention to begin with.

I do not believe that the manuscript that I submitted includes any identifying, survey-specific information that would violate the terms under which the S2T2 data was collected using the DPA authority. If on further review, you find any such specific issues, I will be glad to work with you to edit them out such that we can agree on a publicly releasable version of the article.

I want to stress that the article manuscript that I submitted for review reports aggregated data, such as the number of facilities in each country involved in

the supply chains for three unidentified U.S. Major Defense Acquisition Programs. This is very much in keeping with the way that the Department of Commerce has handled release of data from its surveys, including release of data from surveys collected on behalf of the Department of Defense (see, for example, the BIS 2016 report on rare earth elements in the U.S. Strategic Materials Supply Chain, available at the web site specified above). The supplementary material that I attached to the manuscript submission, not included in the article text itself, is the sort of thing that academic journal editors need to ensure the replicability of the analytical process involved in an article manuscript. In this case, the replication data is completely anonymized, with random identifiers assigned to the various facilities in the list of participating supplier facilities that shows the tiers of the supply chain at which various countries appear. That anonymization would allow another scholar to replicate the counting of facilities that is used to produce the aggregate results included in the manuscript text without revealing the surveys themselves. That is, the supporting data represents the S2T2 data without directly releasing any S2T2 data and certainly without releasing any actual survey response. No one can work backwards from anything in the draft that I submitted to breach the confidentiality of the original survey submissions.

Through this appeal letter, I respectfully request that you reconsider your initial denial of clearance for public release for the article manuscript, "Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain." The reasoning that you provided – that use of data collected under the DPA authority in public releases is never permitted – is not correct; aggregated information based on DPA surveys is routinely published, and the specific 2011 and 2012 survey templates used in the article manuscript specifically indicated on their cover that aggregated data could be released. Furthermore, DoD leadership acknowledged the expectation that academic work based on those surveys would be published, and the analysis and data aggregation processes used in writing the article manuscript meticulously protected the confidentiality of the original survey data. I believe that the existing manuscript should be approved for public release, but if there are specific points that the Office of Prepublication and Security Review determines need to be adjusted, I will be happy to work with you to find a solution.

Sincerely yours

Dr. Eugene Gholz



ADMINISTRATION

OFFICE OF THE CHIEF MANAGEMENT OFFICER
9010 DEFENSE PENTAGON
WASHINGTON, DC 20301-9010

SEP 11 2018

Ref: 18-S-1931/1

Dr. Eugene Gholz
2060 Jenkins Nanovic Halls
Notre Dame, IN 46556

Dear Dr. Gholz:

This is in response to your correspondence of August 7, 2018, appealing the public release denial for the manuscript:

- *Assessing the Link between Dependence and Vulnerability: Globalization and China in the U.S. Defense Supply Chain*

The appellate review has been completed and the Department of Defense (DoD) affirms the public release denial, the manuscript is **not cleared** for public release. The Defense Product Act acquired data your manuscript utilizes is government owned, both the DoD and the Department of Commerce are against the release of this data in any form. As owner of the data in the manuscript, only the United States Government has authority to release the data, and the form in which it may be released. No such authorization is granted at this time.

Please direct any questions regarding this case to Mr. Daniel Chykirda, Security Review Specialist, at 703-697-6763 or by email at daniel.j.chykirda.civ@mail.mil.

Sincerely,

Michael L. Rhodes
Director